

**DOWNTOWN INDUSTRIAL DISTRICT
BUSINESS IMPROVEMENT DISTRICT
BOARD OF DIRECTORS MEETING
JULY 19, 2011
MINUTES**

BOARD MEMBERS

Present: Ernie Doizaki, Matt Klein, Larry Rauch, Michael Tansey, and Paul Vert.

Absent: Richard Gardner, Don Kanner, Howard Klein, Richard Meruelo, Bill Shinbane, and Mark Shinbane.

STAFF: Herlinda Chico, Steve Keyser, Raquel King, and Estela Lopez.

CONSULTANTS: Ken Coelho, and Don Steier.

GUESTS: LAPD Lieutenant Shannon Paulsen.

I. CALL TO ORDER

Vert called the meeting to order with a quorum at 11:40am.

II. APPROVAL OF MINUTES

Rauch made a motion to approve the April 26, 2011 minutes, and Doizaki seconded. The Board unanimously approved.

III. PUBLIC COMMENT PERIOD ON NON-AGENDA ITEMS

None.

IV. OPERATIONS

Keyser reported that pedestrian traffic increased during the daytime hours due to the warm weather because more people tend to loiter during the summer months.

Keyser informed the Board that according to the LAPD crime control statistics, the Skid Row area experienced zero burglaries

from motor vehicles; 1 car theft; 1 aggravated assault; and 2 robberies in the month of June.

Keyser reported that the BID public safety officers handled 2,415 incidents in April; 2,221 in May; and 2,053 in June. The top five incidents were blocking the sidewalk, loitering, encampments, trespassing, and blocking doorways.

Keyser reported that there was a spike in graffiti in June with a total of 40 instances removed. 3,859 bags of trash were collected; 208 bulky items removed; and 58 areas were weeded.

V. FINANCE

Coelho reported that in May the BID received \$12,500 of assessment revenue. In June, the BID received the second large installment of assessment revenue totaling \$587,000. \$284,000 in assessment receivables are due as of June 30, 2011. The BID has budgeted \$94,000 for delinquent assessments. Coelho reported that the BID ended the month of June with \$667,000 in the bank.

Coelho reported that June expenses were over because of a timing difference paying 6 weeks of security services, 2 months maintenance services, and 2 months accounting fees. Coelho informed the Board that a portion of the accounting and legal fees will be analyzed and transferred to the Arts District BID renewal. Coelho explained that a lot of time was spent defending the Arts District BID and CCEA against false allegations.

Coelho stated that on a go forward basis the BID is projected to be at a \$30,000 negative at year end. However, that includes the \$50,000 reserve which means cash is actually projecting to be \$20,000 positive at year end. Coelho stated that he will scrutinize expenses more closely.

Meruelo Maddux Bankruptcy:

Lopez informed the Board that Meruelo and his staff are still working out of the Alameda Produce office. A New York-based company will be taking over, but Meruelo is still in control currently. Lopez stated that once the new company takes over, the BID will receive delinquent assessments on the properties.

Coelho added that the overall delinquent assessment amounts owed for years 2008 = \$49,000; 2009 = \$155,000; 2010 = \$86,000

Lopez informed the Board that she attended the bankruptcy hearing to provide public comment on Meruelo's behalf informing the court of the contributions Meruelo made to the community; however, the judge did not allow public comment, but Meruelo was extremely grateful that Lopez attended.

The new owners consist of an investment group based in New York. Fortunately, new property owner Dilip Bhavnani, who purchased the lot behind SCI-Arc, as well as property on Omar in DID understands the importance of the BID and has expressed his support. He will speak in support at the public hearing for the Arts District BID, and knows the new owners of the Meruelo properties as well.

Coelho reported that a payment of \$19,000 from prior BID funds was submitted to Alameda Produce for over 5 years of electric bills at the warehouse.

VI. EXECUTIVE DIRECTOR'S REPORT**CRA Update:**

Lopez reported that the CRA is still in a state of flux. Governor Brown proposed two bills; the first bill ABX126 proposed eliminating redevelopment agencies, and the second bill ABX127 allows redevelopment agencies to continue to operate if the municipalities agree to allocate a portion of redevelopment funds to schools and other agencies. The second bill was voted on and approved. At the end of June, the CRA paused from entering into any new contracts. In order for the CRA to resume working the

City Council has to agree to the terms of ABX127. The CRA is allowed to move forward with key projects such as the Arts District Park and the Alameda Roadway Reconstruction Project (because funding comes from sources other than CRA). The Arts District Medallion Project funding is on hold.

MacArthur Foundation Grant:

Lopez reported that the CRA obtained funding for a study purposed to help economics in Skid Row. The study will be somewhat like adaptive reuse, and will make a recommendation on buildings that are worth saving.

Annual Property Owners Meeting:

Lopez informed the Board that the meeting is September 8, 2011 at 8am. The meeting will be held inside the theater at Inner City Arts.

VII. EXECUTIVE SESSION

The Board was briefed by legal counsel regarding the Court Ruling on Unattended Homeless Property. No action was taken.

VIII. ADJOURNMENT- The meeting of the Board was adjourned at 12:46pm.